

NEW HORIZONS CRISIS CENTER, INC.

**FINANCIAL STATEMENTS
AND REPORT IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Years Ended June 30, 2006 and 2005

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITOR'S REPORT	1
FINANCIAL STATEMENTS:	
Statements of Financial Position	2
Statements of Activities	3
Statement of Functional Expenses - Year Ended June 30, 2006	4
Statement of Functional Expenses - Year Ended June 30, 2005	5
Statements of Cash Flows	6
Notes to Financial Statements	7
REPORT IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS:	
Independent Auditor's Report on Internal Control Over Financial Reporting And on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	13



INDEPENDENT AUDITOR'S REPORT

Board of Directors
New Horizons Crisis Center, Inc.

We have audited the accompanying statements of financial position of New Horizons Crisis Center, Inc. (a nonprofit organization) as of June 30, 2006 and 2005, and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of New Horizons Crisis Center, Inc.'s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of New Horizons Crisis Center, Inc. as of June 30, 2006 and 2005, and the results of its activities and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 24, 2007, on our consideration of New Horizons Crisis Center, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.

Squire & Company, PC

January 24, 2007

NEW HORIZONS CRISIS CENTER, INC.
STATEMENTS OF FINANCIAL POSITION
June 30, 2006 and 2005

	2006	2005
Assets:		
Cash	\$ 32,085	\$ 35,031
Receivable from federal and state governments	27,827	35,223
Other receivables, net of allowance	-	7
Prepaid expenses	10,478	7,047
Net fixed assets	<u>1,001,359</u>	<u>1,033,399</u>
Total assets	<u><u>\$ 1,071,749</u></u>	<u><u>\$ 1,110,707</u></u>
Liabilities:		
Accounts payable	\$ 201	\$ 748
Accrued payroll taxes	5,600	6,698
Other liabilities	17,557	20,436
Notes payable	<u>701,942</u>	<u>704,749</u>
Total liabilities	725,300	732,631
Net Assets:		
Unrestricted	334,055	365,065
Temporarily restricted	<u>12,394</u>	<u>13,011</u>
Total net assets	<u>346,449</u>	<u>378,076</u>
Total liabilities and net assets	<u><u>\$ 1,071,749</u></u>	<u><u>\$ 1,110,707</u></u>

The accompanying notes are an integral part of these financial statements.

NEW HORIZONS CRISIS CENTER, INC.
STATEMENTS OF ACTIVITIES
Years Ended June 30, 2006 and 2005

	2006	2005
Unrestricted Net Assets:		
Revenue and support:		
Federal contracts and grants	\$ 160,268	\$ 168,073
State contracts and grants	97,703	94,111
Local contributions	24,675	32,011
Rental and related income	14,809	9,746
Other income	2,832	1,989
	<u>300,287</u>	<u>305,930</u>
Net assets released from restrictions	9,106	10,324
Total revenue and support	<u>309,393</u>	<u>316,254</u>
Expenses:		
Program services:		
Shelter	202,199	211,095
Children	27,948	26,491
Rape crisis	21,018	19,700
Strides Toward Earning Progress Toward Success (STEPS)	37,675	37,460
Supporting services:		
Management and general	51,563	52,211
Total expenses	<u>340,403</u>	<u>346,957</u>
Change in unrestricted net assets	(31,010)	(30,703)
Temporarily Restricted Net Assets:		
Contributions	8,489	13,011
Net assets released from restrictions	(9,106)	(10,324)
Change in temporarily restricted net assets	<u>(617)</u>	<u>2,687</u>
Change in Net Assets	<u>(31,627)</u>	<u>(28,016)</u>
Net Assets at Beginning of Year	<u>378,076</u>	<u>406,092</u>
Net Assets at End of Year	<u>\$ 346,449</u>	<u>\$ 378,076</u>

The accompanying notes are an integral part of these financial statements.

NEW HORIZONS CRISIS CENTER, INC.
STATEMENT OF FUNCTIONAL EXPENSES

Year Ended June 30, 2006

	Program Services			Supporting Services	
	Shelter	Children	Rape Crisis	STEPS	Management and General
Compensation and related expenses	\$ 140,762	\$ 23,201	\$ 17,141	\$ 14,509	\$ 18,444
Direct aid	1,741	2,983	63	65	569
Advertising	60	673	-	-	622
Insurance	8,250	-	-	-	9,562
Telephone	4,566	-	-	-	1,142
Occupancy:					
Utilities	15,813	-	-	1,950	2,702
Rent	130	-	-	-	4,858
Maintenance	2,070	-	-	598	363
Supplies	3,693	525	1,059	-	743
Postage	1,203	-	150	-	239
Travel	1,881	90	824	-	3,133
Licenses	173	-	-	-	225
Conferences	314	-	324	-	-
Professional fees	-	-	-	-	4,887
Interest	30	-	-	10,111	-
Depreciation	20,665	202	849	10,400	2,624
Loss on disposal of assets	506	-	43	89	287
Other	342	274	565	(47)	1,163
Total expenses	\$ 202,199	\$ 27,948	\$ 21,018	\$ 37,675	\$ 51,563
					\$ 340,403

The accompanying notes are an integral part of these financial statements.

NEW HORIZONS CRISIS CENTER, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2005

	Program Services			Supporting Services	
	Shelter	Children	Rape Crisis	STEPS	Management and General
					Total
Compensation and related expenses	\$ 137,244	\$ 25,587	\$ 17,508	\$ 13,998	\$ 17,667
Direct aid	7,298	70	-	-	1,169
Advertising	780	-	-	-	203
Insurance	4,865	-	-	-	12,278
Telephone	4,013	-	-	-	1,003
Occupancy:					
Utilities	14,993	-	-	991	-
Rent	52	-	-	-	4,858
Maintenance	5,180	-	50	1,169	60
Supplies	6,120	166	1	5	728
Postage	745	-	-	-	131
Travel	4,821	-	156	-	1,225
Licenses	466	-	-	-	131
Conferences	2,618	213	730	-	(333)
Professional fees	-	226	-	-	4,831
Interest	441	-	-	10,111	-
Depreciation	20,540	168	1,105	10,442	7,904
Other	919	61	150	744	356
Total expenses	\$ 211,095	\$ 26,491	\$ 19,700	\$ 37,460	\$ 52,211
					\$ 346,957

The accompanying notes are an integral part of these financial statements.

NEW HORIZONS CRISIS CENTER, INC.
STATEMENTS OF CASH FLOWS
Years Ended June 30, 2006 and 2005

	2006	2005
Cash Flows from Operating Activities:		
Change in net assets	\$ (31,627)	\$ (28,016)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	34,740	40,159
Allowance for bad debts	(220)	34
Loss on disposal of assets	925	-
Change in operating assets and liabilities:		
Receivable from federal and state governments	7,623	(7,606)
Other receivables	-	402
Prepaid expenses	(3,431)	(4,494)
Accounts payable	(547)	(796)
Accrued payroll taxes	(1,098)	(37)
Other liabilities	(2,879)	3,828
Net cash provided by operating activities	3,486	3,474
Cash Flows from Investing Activities:		
Purchase of fixed assets	(3,625)	(14,784)
Cash Flows from Financing Activities:		
Repayments of notes payable	(2,807)	(4,803)
Net Change in Cash	(2,946)	(16,113)
Cash at Beginning of Year	35,031	51,144
Cash at End of Year	\$ 32,085	\$ 35,031

Supplemental Information:

The Center paid interest of \$8,846 and \$9,256 for the years ended June 30, 2006 and 2005, respectively. The Center paid no income taxes during the years ended June 30, 2006 and 2005.

The Center had no noncash investing and financing transactions during the years ended June 30, 2006 and 2005.

The accompanying notes are an integral part of these financial statements.

NEW HORIZONS CRISIS CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

The financial statements of New Horizons Crisis Center, Inc., have been prepared on the accrual basis of accounting. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

Organization - New Horizons Crisis Center, Inc. (the Center) is a nonprofit organization formed in 1989. The Center is exempt from income taxes under Section 501(a) of the Internal Revenue Code and is classified as a section 501(c)(3) public charity.

The Center provides resources for victims of domestic violence and the homeless in central Utah. The resources include shelter services, emergency counseling and referrals to appropriate agencies; assisting families with problems of domestic violence, which includes spouse abuse, child abuse, and sexual abuse; providing community awareness programs to sensitize the community to the problems and solutions of domestic violence; and working with law enforcement agencies and existing social service agencies to improve their knowledge and treatment of the problems of domestic violence.

The Center also provides a children's program to address the needs of young victims of domestic violence and homelessness. In partnership with local schools and social service agencies, the program includes counseling and activities designed to stabilize emotions, build self-esteem and develop positive characteristics in children; parenting classes are provided to teach parents effective child-rearing principles. The program is designed to provide treatment, education, and prevention.

Fixed Assets - Purchased fixed assets are recorded at cost. Donated fixed assets are recorded at the estimated fair value at the date of donation. Depreciation is computed on assets using the straight-line method over the estimated useful lives of the assets.

Certain assets purchased with grantor funds are restricted for use in the Center's current programs. The disposition of such assets requires prior approval of the funding agency.

Gains or losses on assets that are sold, traded, or abandoned are recorded upon disposition. Proceeds received from sales of assets are recorded in the program that originally acquired the assets.

Donated Materials and Services - The Center receives donations of materials and services from volunteers and the general public which the Center does not recognize in its financial statements. Such donations are generally passed-through to the beneficiaries of the Center's programs.

Advertising Costs - Advertising costs are primarily to promote public awareness of the Center's activities and services. All advertising costs are charged to expense as incurred.

Allocation of Expenses - The Center records direct expenses to the appropriate program and allocates indirect expenses to each program based on estimated personnel expenses by program.

NEW HORIZONS CRISIS CENTER, INC.
NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

Economic Dependency - A significant portion of the Center's revenue is from federal and state grants received from various pass-through agencies. Continued future funding from federal and state grants is subject to changes in governmental policy.

Accounting Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and support and expenses during the reporting period. Actual results could differ from those estimates.

Note 2. Receivable from Federal and State Governments

The Center receives the majority of its funding from federal and state government contracts and grants. The Center spends funds according to the provisions of each grant or contract and submits reimbursement requests to receive the awarded funds. As of June 30, 2006 and 2005, amounts due from governmental agencies are all considered collectible and consist of the following:

	<u>2006</u>	<u>2005</u>
State Office of Crime Victim Reparations:		
Victim Assistance Grant	\$ 13,172	\$ 21,711
Violence Against Women Grant	3,389	3,642
State Department of Human Services:		
Shelter Grant	5,955	5,021
Children's Trust Account Funds Grant	1,871	432
State Department of Health:		
Rape Prevention and Education Grant	3,264	4,370
State Tax Commission:		
Sales Tax Refund	176	47
Total receivable from federal and state governments	<u>\$ 27,827</u>	<u>\$ 35,223</u>

NEW HORIZONS CRISIS CENTER, INC.
NOTES TO FINANCIAL STATEMENTS

Note 3. Other Receivables

Other receivables consist of amounts owed by clients for rent. Amounts owed were \$0 and \$227 at June 30, 2006 and 2005, respectively. An allowance for doubtful accounts of \$0 and \$220 was established at June 30, 2006 and 2005, respectively.

Note 4. Fixed Assets

Net fixed assets at June 30, 2006 and 2005, are summarized as follows:

	2006	2005	Estimated Useful Lives
Land	\$ 88,635	\$ 88,635	N/A
Buildings	1,049,527	1,049,527	40 years
Equipment	105,181	142,131	3-10 years
	<u>1,243,343</u>	<u>1,280,293</u>	
Accumulated depreciation	<u>(241,984)</u>	<u>(246,894)</u>	
Net fixed assets	<u>\$ 1,001,359</u>	<u>\$ 1,033,399</u>	

Note 5. Other Liabilities

Other liabilities at June 30, 2006 and 2005, consist of the following:

	2006	2005
Accrued interest	\$ 13,837	\$ 12,542
Compensated absences	1,283	5,107
Tenant deposits	1,800	2,150
Other	<u>637</u>	<u>637</u>
Total other liabilities	<u>\$ 17,557</u>	<u>\$ 20,436</u>

NEW HORIZONS CRISIS CENTER, INC.
NOTES TO FINANCIAL STATEMENTS

Note 6. Notes Payable

At June 30, 2006 and 2005, notes payable consisted of the following:

	<u>2006</u>	<u>2005</u>
Olene Walker Housing Trust Fund loan, 0% interest, monthly payments of \$75, used to finance the construction of a transitional housing and office facility	\$ 42,726	\$ 43,626
Note with a bank, 10.75% interest, monthly payments of \$362, used to finance the purchase of a vehicle	-	1,907
Olene Walker Housing Trust Fund loan, 0% interest, the balance to be repaid when the property ceases to be used as a shelter, used to finance the purchase of a transitional housing facility	457,000	457,000
Olene Walker Housing Trust Fund loan, 5% interest, monthly interest-only payments of \$735, beginning March 1, 1998, principal and accrued interest payable on March 1, 2017, used to finance the construction of a transitional housing and office facility	<u>202,216</u>	<u>202,216</u>
	<u>\$ 701,942</u>	<u>\$ 704,749</u>

Principal maturities are as follows for the years ending June 30:

2007	\$ 900
2008	900
2009	900
2010	900
2011	900
Thereafter	<u>697,442</u>
	<u>701,942</u>

NEW HORIZONS CRISIS CENTER, INC.
NOTES TO FINANCIAL STATEMENTS

Note 7. Net Assets

Contributions, contracts, and grants are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and nature of any restrictions. Support that is restricted by the donor or by contract is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other restricted support is reported as an increase in temporarily restricted net assets. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished) temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Temporarily restricted net assets at June 30, 2006 and 2005, are summarized as follows:

	<u>2006</u>	<u>2005</u>
Shelter	\$ 8,677	\$ 8,344
Children's Program	<u>3,717</u>	<u>4,667</u>
	<u>\$ 12,394</u>	<u>\$ 13,011</u>

Note 8. Contingent Liability

The State of Utah, Department of Community and Economic Development (DCED), holds a lien of \$38,000 on the office/apartment building owned by the Center. The Center shall satisfy the lien from the proceeds of any sale of the building.

NEW HORIZONS CRISIS CENTER, INC.
NOTES TO FINANCIAL STATEMENTS

Note 9. Expenditure of Federal Awards

The Center receives various federal awards that are passed through state offices and departments. A summary of expenditures of federal awards for the year ended June 30, 2006, follows:

<u>Department/Pass-through Grantor/Program Title</u>	<u>Expenditures</u>
U.S. Department of Health and Human Services:	
Passed through Utah Department of Human Services:	
Family Violence Prevention and Service Grant	\$ 33,425
Passed through Utah Department of Health:	
Preventive Health and Human Services Block Grant	21,054
U.S. Department of Housing and Urban Development:	
Passed through Utah Department of Community and Economic Development:	
Emergency Shelter Grants Program	10,000
U.S. Department of Justice:	
Passed through Utah Office of Crime Victim Reparations:	
Victim Assistance Grant	78,126
Violence Against Women Assistance Grant	17,663
Total expenditures of federal awards	<u>\$ 160,268</u>

**REPORT IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Year Ended June 30, 2006



**Independent Auditor's Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed
in Accordance with *Government Auditing Standards***

Board of Directors
New Horizons Crisis Center, Inc.

We have audited the financial statements of New Horizons Crisis Center, Inc. (a nonprofit organization) as of and for the year ended June 30, 2006, and have issued our report thereon dated January 24, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered New Horizons Crisis Center, Inc.'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether New Horizons Crisis Center, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Board of Directors, management, and federal and state awarding and pass-through entities and is not intended to be, and should not be, used by anyone other than these specified parties.

Squire & Company, PC

January 24, 2007